

May 29, 2025
SBI Holdings, Inc.
(TOKYO: 8473)

Notice Regarding the Recording of Gain on Sale Due to Transfer of the Shares of SBI Sumishin Net Bank and Execution of Basic Agreement on Business Alliance Among the Company, SBI SECURITIES, NTT Docomo, and SBI Sumishin Net Bank

SBI Holdings, Inc. (hereinafter the “Company”) hereby announces that, at the meeting of its board of directors held today, it was resolved that the board of directors approves that the Company will execute a basic agreement (hereinafter the “Basic Agreement”) with NTT Docomo, Inc. (hereinafter “NTT Docomo” or the “Tender Offeror”), Sumitomo Mitsui Trust Bank, Limited (hereinafter “Sumitomo Mitsui Trust Bank”), and SBI Sumishin Net Bank, Ltd. (hereinafter “SBI Sumishin Net Bank” or the “Target Company”), which is an equity-method affiliate of the Company, that sets forth the privatization of the Target Company through transactions where (i) the Company and Sumitomo Mitsui Trust Bank will not tender any of their shares in the Target Company in the tender offer for the share certificates, etc. of the Target Company with the aim of privatizing SBI Sumishin Net Bank implemented by the Tender Offeror (hereinafter the “Tender Offer”), (ii) NTT Docomo, the Company, and Sumitomo Mitsui Trust Bank will exercise their voting rights in favor of the proposal for the share consolidation (hereinafter the “Share Consolidation”), which will be presented at the extraordinary shareholders meeting of the Target Company that will be held after the settlement of the Tender Offer, and (iii) SBI Sumishin Net Bank will purchase all of the Target Company shares held by the Company through a share buyback after the Share Consolidation takes effect, as well as other transactions and acts incidental or related thereto (hereinafter collectively, the “Transaction”), and the Company has executed the Basic Agreement.

Upon the Transaction, the Company will transfer all of its shares in SBI Sumishin Net Bank, and SBI Sumishin Net Bank will be excluded from the Company’s equity-method affiliates; however, as stated in the “Notice Regarding Capital and Business Alliance with Nippon Telegraph and Telephone Corporation and Issuance of New Shares by Third-Party Allotment to That Company as the Planned Allottee” announced today, as part of the agreement on capital and business alliance executed today between the Company and Nippon Telegraph and Telephone Corporation (hereinafter “NTT”) (hereinafter the “Capital and Business Alliance”), pursuant to the business alliance agreement executed today between SBI SECURITIES Co., Ltd. (hereinafter “SBI SECURITIES”), which is a subsidiary of the Company, NTT Docomo, and SBI Sumishin Net Bank (hereinafter “Business Alliance Agreement (Bank-Securities Collaboration)”), the Company will maintain the business alliance between SBI SECURITIES and SBI Sumishin Net Bank and the existing collaboration between SBI Sumishin Net Bank and the SBI Group, and the Company will consider and discuss measures aimed at further enhancing SBI Sumishin Net Bank’s corporate value with SBI SECURITIES, NTT Docomo, and SBI Sumishin Net Bank.

For details of the Transaction, please refer to “Notice Regarding Expression of Opinion in Support of Tender Offer for the Company Shares by NTT Docomo, Inc. and Recommendation to Tender Shares in the Tender Offer as well as Execution of Business Alliance Agreement” announced today by SBI Sumishin Net Bank.

1. Reasons for Execution of the Basic Agreement and the Business Alliance Agreement (Bank-Securities Collaboration)

The Target Company was established in June 1986 as a wholly-owned subsidiary of The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank) under the corporate name Sumishin Business Service Co., Ltd. for the purpose of providing The Sumitomo Trust and Banking Co., Ltd. with office administrative services. In September 2004, the Target Company changed its corporate name to Sumishin Office Service Co., Ltd. after implementing a company split in which STB Personnel Service Co., Ltd. succeeded all of the Target Company’s operations at that time. In October

2005, the Company and Sumitomo Mitsui Trust Bank reached an agreement to jointly operate a bank that uses the Internet as its main transaction channel; thereafter, in April 2006, a third-party allotment of new shares was carried out with the Company as the underwriter, and the corporate name was changed to Sumishin SBI Net Bank Research Company, Ltd. due to change of business category to a bank establishment preparation company. In September 2007, the Target Company received preliminary approval for a banking license, changed its corporate name to SBI Sumishin Net Bank, Ltd., and in the same month, it obtained a banking business license and commenced operations. In March 2023, the Target Company was listed on the Standard Market of the Tokyo Stock Exchange and has been listed continuously since then.

Since the Target Company's establishment, the Company has provided its expertise in internet financial services and internet-related businesses, and Sumitomo Mitsui Trust Bank has provided its expertise in bank management and risk management to support the Target Company's growth as an innovative internet-only bank (hereinafter "online bank"). Further, the Target Company has been considering that additional alliances with partner companies with a large customer base could be a viable option, with the aim of further enhancing the Target Company's corporate value.

Amid such circumstances, in late August 2023, the Company received information through Sumitomo Mitsui Trust Bank that the Tender Offeror was having initial discussions on equity participation and business alliance with the Target Company. Subsequently, the Company Group started considerations with the NTT Group around November 2024 concerning the Tender Offer for the share certificates, etc. of the Target Company by NTT Docomo and the Capital and Business Alliance as an effort to establish a strategic capital and business alliance between the Company Group and NTT Group in order to provide greater convenience to customers and further develop the business of both groups by leveraging the strengths of both groups in various fields of digital technology and financial services. As a result of such considerations, on February 5, 2025, the Company received a specific proposal from the NTT Group regarding the Tender Offer and the Capital and Business Alliance; however, the parties could not agree on the purchase price of the Tender Offer and the investment ratio in the Capital and Business Alliance. Therefore, on February 7, 2025, the Company decided to discontinue the considerations for the Transaction and the Capital and Business Alliance.

However, in the middle of April 2025, in response to NTT's and NTT Docomo's expression of their intention to review the terms and conditions of the investment ratio related to the Capital and Business Alliance, as well as the purchase price of the Tender Offer and the price of the share buyback, and their request to resume considerations, the Company resumed discussions on the Transaction and the Capital and Business Alliance. As a result of the considerations, the Company proceeded with the discussions with the Tender Offeror as it determined that the Tender Offeror is the most suitable partner because it is expected that utilizing the Tender Offeror's various assets would enable the Target Company to further enhance and differentiate its banking business and expand the scale of its business. In the course of these discussions, the Company received a proposal from the Tender Offeror that would contribute to enhancing the Target Company's corporate value and that could be deemed sufficiently economically rational for the Company; thus, the meeting of its board of directors held today resolved to approve execution of the Basic Agreement and the Company executed it.

According to the "Notice Regarding Expression of Opinion in Support of Tender Offer for the Company Shares by NTT Docomo, Inc. and Recommendation to Tender Shares in the Tender Offer and Execution of the Basic Agreement on Business Alliance" announced by the Target Company today, the Target Company resolved at its board of directors meeting held today that it expresses its opinion in support of the Tender Offer and recommends that the Target Company's shareholders tender their shares in the Tender Offer.

The Target Company will be excluded from the Company's equity-method affiliates after the Company sells its shares in the Target Company in response to the Target Company's share buyback that would be implemented after the Share Consolidation, following the successful completion of the Tender Offer. However, pursuant to the Business Alliance Agreement (Bank-Securities Collaboration) executed as part of the Capital and Business Alliance with NTT, the business alliance between the Company Group and the Target Company will continue.

2. Business Alliance Agreement (Bank-Securities Collaboration)

(1) Details of the Business Alliance Agreement (Bank-Securities Collaboration)

The Company, SBI SECURITIES, NTT Docomo, and SBI Sumishin Net Bank have executed the Business Alliance Agreement (Bank-Securities Collaboration) (the Company, SBI SECURITIES, NTT Docomo, and SBI Sumishin Net Bank) that sets forth the continuance of the existing business alliance between SBI SECURITIES and SBI Sumishin Net Bank. The specific details are to be agreed between the parties by completion of the share buyback to be carried out by the Target Company.

(2) Summary of the Company's Subsidiary That Will Execute the Business Alliance Agreement (Bank-Securities Collaboration)

(i) Name	SBI SECURITIES Co., Ltd.
(ii) Location	1-6-1 Roppongi, Minato-ku, Tokyo
(iii) Name and title of representative	President & Chief Executive Officer, Masato Takamura
(iv) Business details	Securities business
(v) Capital	54,323 million yen

(3) Summary of the Counterparties to the Business Alliance Agreement (Bank-Securities Collaboration)

[SBI Sumishin Net Bank (the Target Company)]

(i) Name	SBI Sumishin Net Bank, Ltd.	
(ii) Location	2-1, Roppongi 3-chome, Minato-ku, Tokyo	
(iii) Name and title of representative	President and CEO, Noriaki Maruyama	
(iv) Business details	Financial services and other relevant services such as banking services including deposit services and lending services with mobile applications and the Internet as channel, debit card services, BaaS (Banking as a Service) businesses, etc.	
(v) Capital	31,000 million yen	
(vi) Month of establishment	June 1986 (Obtained banking business license in September 2007)	
(vii) Major shareholders and shareholding ratios (as of September 30, 2024) (Note 1)	Shareholders	Shareholding ratio
	Sumitomo Mitsui Trust Bank, Limited	34.19%
	SBI Holdings, Inc.	34.19%
	Japan Securities Finance Co., Ltd.	3.02%
	RBC IST 15 PCT LENDING ACCOUNT-CLIENT ACCOUNT (Standing proxy: City Bank, N.A., Tokyo Branch)	0.92%
	The Master Trust Bank of Japan, Ltd. (trust account)	0.79%
	Custody Bank of Japan, Ltd. (trust account)	0.79%
	Akira Katayama	0.76%
	GOVERNMENT OF NORWAY (Standing proxy: City Bank, N.A., Tokyo Branch)	0.73%
	Central Tanshi Co., Ltd.	0.68%
	The Nomura Trust and Banking Co., Ltd. (trust account)	0.49%
(viii) Relationship between the Company and this company		

Capital relationship	The Company holds 51,552,600 Target Company shares as of today (ownership ratio (Note 2) of 34.19%). The Target Company has promised to invest 1,000 million yen, and invested 400 million of such amount, in SBI Venture Fund 2023B Investment Limited Partnership incorporated and operated by SBI Investment Co., Ltd., which is a subsidiary of the Company.
Personnel relationship	The Company dispatches one executive to the Target Company.
Business relationship	The Target Company engages in transactions with the Company's subsidiaries, SBI SECURITIES, SBI Remit Co., Ltd., SBI FXTRADE Co., Ltd., SBI MONEYPLAZA Co., Ltd., and SBI ARUHI Corporation, for intermediary business, with each of them as bank agents; the Target Company engages in transactions with SBI Life Insurance Co., Ltd., which is the Company's subsidiary, for group credit life insurance.
Related party status	The Company constitutes a major shareholder and other affiliated company of the Target Company.

(ix) Operating results and financial position in the most recent three-year period (consolidated)

Fiscal year	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets (millions of yen)	131,691	151,608	169,921
Total assets (millions of yen)	8,679,004	10,676,416	11,236,958
Net assets per share (yen)	872.74	1,005.41	1,126.95
Ordinary income (millions of yen)	98,052	118,572	146,521
Ordinary profit (millions of yen)	29,390	34,846	38,189
Net income attributable to owners of the parent (millions of yen)	19,932	24,845	28,127
Net income per share (yen)	132.18	164.78	186.54
Dividends per share (yen)	198.95	16.50	19.00

(Note 1) “Major shareholders and shareholding ratios” is cited from “Status of major shareholders” provided in the “Interim semi-annual report for the 18th fiscal year” submitted by the Target Company on November 27, 2024.

(Note 2) “Ownership ratio” means the ratio (rounded to the second decimal place) to the number of shares (150,779,696 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2025 (14,104 shares), from the total number of issued shares of the Target Company as of the same day as set out in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]” published by the Target Company on May 9, 2025 (150,793,800 shares).

[NTT Docomo (the Tender Offeror)]

(i) Name	NTT Docomo, Inc.
(ii) Location	11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo
(iii) Name and title of representative	President and Chief Executive Officer, Yoshiaki Maeda
(iv) Business details	Consumer communications business, smart life business, and other businesses
(v) Capital	949,679 million yen (as of March 31, 2025)
(vi) Month of establishment	August 1991

(vii) Major shareholders and shareholding ratios (as of September 30, 2024)		Nippon Telegraph and Telephone Corporation: 100.00%		
(viii) Relationship between the Company and this company				
	Capital relationship	Not applicable		
	Personnel relationship	Not applicable		
	Business relationship	Not applicable		
	Related party status	The Company has certain business relationships with the Tender Offeror, such as use of communications channels, however, there is no business relationship that should be particularly noted.		
(ix) Operating results and financial position in the most recent three-year period (consolidated)				
Fiscal year		Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets (millions of yen)		6,294,359	6,221,412	6,098,752
Total assets (millions of yen)		9,367,638	9,796,157	9,569,078
Net assets per share (yen)		1,949.56	1,926.96	1,888.98
Operating revenues (millions of yen)		3,223,762	3,241,095	4,778,680
Operating profit (millions of yen)		787,712	835,871	698,041
Ordinary profit (millions of yen)		986,670	936,811	896,898
Net income attributable to owners of the parent (millions of yen)		777,306	677,466	700,540
Net income per share (yen)		240.75	209.83	216.98
Dividends per share (yen)		240.01	240.01	240.01

3. Number of Shares to Be Transferred in the Transaction, Purchase Price, and Number of Shares Held Before and After the Transaction

Number of shares held before the Transaction	51,552,600 shares (Number of voting rights: 515,526) (Ratio of voting rights: 34.19%) (Note 1)
Number of shares to be transferred in the Transaction	51,552,600 shares (Number of voting rights: 515,526) (Ratio of voting rights: 34.19%)
Purchase price (planned)	Approximately 186,354 million yen (Note 2)
Number of shares held after the Transaction	0 shares (Number of voting rights: 0) (Ratio of voting rights: 0%)

(Note 1) “Ratio of voting rights” means the ratio to the number of voting rights (1,507,796) for shares (150,779,696 shares) obtained by deducting the number of the treasury shares owned by the Target Company as of March 31, 2025 (14,104 shares), from the total number of issued shares of the Target Company as of the same day as set out in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]” submitted by the Target Company on May 9, 2025 (150,793,800 shares).

(Note 2) The purchase price is provided as a reference, calculated by multiplying the number of Target Company shares held by the Company by the price of share buyback by the Target Company (3,614.84 yen per Target Company share before the Share Consolidation).

4. Schedule of the Transaction and the Business Alliance Agreement (Bank-Securities Collaboration)

(1) Execution of the Basic Agreement	May 29, 2025
(2) Execution of the Business Alliance Agreement (Bank-Securities Collaboration)	May 29, 2025
(3) Tender offer period (planned)	From May 30, 2025 to July 10, 2025
(4) Settlement commencement date (planned)	July 17, 2025
(5) Effective date of the Share Consolidation (planned)	Around September 2025
(6) Completion of share buyback (planned)	Around October 2025

5. Future Prospects

The Company expects to record a gain on sales of shares in affiliates of 170.3 billion yen in the non-consolidated financial results and a gain on sales of shares in affiliates of 142.4 billion yen in the consolidated financial results for the fiscal year ending March 31, 2026, after completion of the Transaction as a result of selling the Target Company shares in response to the share buyback implemented by the Target Company. The Company considers that the impact of the Business Alliance Agreement (Bank-Securities Collaboration) on the Company's consolidated financial results to be minor at present; however, the Company will promptly announce any matters that should be disclosed in the future.

* The estimated gains on sales are based on current estimates, and the final gains on sales may vary.

For further information please contact:

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